Delicencing of industries

*206. SHRIMATI MIRA DAS :
SHRI CHIMONBHAI MEHTA :

Will the PRIME MINISTER be pleased to state :

(a) whether industries with large export potential are being considered for delicenceing, if so, the details thereof ;

(b) whether Government are also considering to decontrol and delicence sugar, Beer, consumer electronics, etc. if so, the details thereof ;

(c) what are the new steps being taken to further liberalise and simplify the procedure to attract foreign investment; and

(d) whether the dereservatoin of certain items currently restrved for small scale industfies is being considered, if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES) SHRI M. ARUNACHALAM : (a) and (b) Industrial licencing is presently required for 16 industries only, on grounds such as security and strategic concerns, social rtasons, problems related to safety and over-riding environmental issues. Further delicencing of industries is a continuing exercise.

(c) Procedures relating to foreign investments are constantly reviewed.

(d) No such decision has been taken.

SHRI CHIMANBHAI MEHTA : madam, I would like to draw your attention to part (d) of my question. The question asked was :

"Whether the dereservation of certain items currently reserved for small scale industries is being considered and, if so, the details thereof ?"

My question is whether it is being considered by the Government. The answer given is, "No decision is taken". I am not asking you whether you have taken a decision or not. I am asking you whether it is being considered by your Department or not. If there is no consideration, questions would arise as to who demand dereservation, when it was demanded, what happens if this demand is conceded. All these questions do arise. But the question is wrongly answered. When I asked you whether it was being considered, you said, "No decision is taken". Let him answer correctly.

SHRI M. ARUNACHALAM : Madam, in the meeting held in June, 1993, a few items were considered for dereservation. But the Department has not taken any decision on that.

SHRI CHIMANBHAI MEHTA : What do you mean by 'a few items' ?

SHRI M. ARUNACHALAM : "A few items" means items such as leather, ice-cream, etc.

SOME HON. MEMBERS : From chocolate to ice cream ... (*Interruptions*) ...

THE DEPUTY CHAIRMAN : It is a delicensed item. We cannot ask the Minister to bring it now ... (*Interruptions*) ...

SHRIMATI RENUKA CHOWDHURY : Yesterday the Minister said he would give us chocolates. Today, there are no chocolates for us.

SHRI CHIMANBHAI MEHTA : Anyhow, the answer does not satisfy my query. Now, another point is this : It says, "Further delicensing of industries is a continuous exercise." In part (c) of my question, I have asked what the new steps are which are being taken to further liberalise and simplify the procedure to attract foreign investment. They say that this is a continuing process. I am asking today what new steps you are envisaging and if you say that change is a permanent thing and if you answer in this philosophical way, then I cannot understand what you are contemplaing. What new steps you are

*The Question was actually asked on the floor of the House by Shri Chimanbhai Mehta.

taking to attract foreign investment and for that what new liberalisation you are going to undertake ? This is my specific question. Kindly answer this specific question.

SHRI M. ARUNACHALAM : Madam, when the new policy was announced, 18 items were there for licensing and a review was done and we are doing it then and there. With regard to the steps, they are automatic clearance system for foreign direct investment and technology agreement with specific parameters, Government approval system for foreign investment and technology agreement which are outside the paprameters for automatic clearance.

THE DEPUTY CHAIRMAN : Yes, Mr. Hanumanthappa.

SHRI H. HANUMANTHAPPA : Madam, after the Government ... (*Interruptions*) ...

SHRI CHIMANBHAI MEHTA : Madam again he is saying the same thing. He has not answered my question.

THE DEPUTY CHAIRMAN: Mr. Mehta, I allowed, according to the rules, two chances to you and you asked it is your prevogative.

आपके दोनों सवाल हो गए।

श्री चिमनभाई मेहता : अब आप कहती हैं हो गए तो मैं बैठ जाता हूं।

उपसभापति : हां दो दफा पूछ चुके हैं आप (**व्यवधान**)

SHRI CHIMANBHAI MEHTA : He is saynig the same thing and he has not replied to my speiific question.

THE DEPUTY CHAIRMAN : Let Mr. Hanumanthappa ask now.

SHRI H. HANUMANTHAPPA : Madam, in this House, we always talk of farmers and the farming community and we are talking of liberalisation, delicensing of industries, etc. But the worst affected is the farming community. Under the food processing industry, even today licensing continues. About 2,400 applications have been submitted to the Government and only 38 projects have been cleared and only ten projects have come up ! Day in day out we are talking of farmers and we are telling from the roof-tops that we are helping them to produce more for export and so on. But, out of 2,400 applications, only 38 have been cleared and all the others have been rejected by the Ministry and this delicensing has not gone to the farming community and only the industrialists have been helped and, Madam, when the question of the farming community comes, licensing still continues ! Will the honourable Minister consider delicensing in the case of food processing industries **which can really help the agriculturists of this country ?**

SHRI M. ARUNACHALAM : Madam, the question relates to the Food Processing Ministry and I do not have the information. If the honourable Minister is interested, I will collect it.

SHRI H. HANUMANTHAPPA : Madam, even sugar and beer have been mentioned here ... (*Interruptions*) ... I have not gone beyond the purview of the question ... (*Interruptions*) ...

SHRI BHUPINDER SINGH MANN : Madam, what is this answer? This is not relating to food processing industry. This is relating to industry ... (*Interruptions*) ...

SHRI M. ARUNACHALAM : I agree, Madam. Under the existing policy, beer industry is subject to compulsory licensing. In 1975, a ban was imposed on further creation of capacity in alcohol. However, on reconsideration, this ban was lifted in 1989 in the case of beer. A large number of applications are there which we have received for the beer industry and they are at various stages of consideration. We have not taken any decision ... (*Interruptions*) ...

SHRI H. HANUMANTHAPPA : It is only for beer and the other products have not been cleared. Beer is cleared and the others are not being cleared ... (*Interruptions*)...

SHRIMATI RENUKA CHOUDHURY: Madam, we are not going be satisfied with ambiguous answers ... (*Interruptions*) ...

THE DEPUTY CHAIRMAN : Yes, Dr. Sivaji.

SHRI KAMAL MORARKA : Madam, this is a serious matter ... (*Interruptions*) ... Have you read the answer? This is not the answer even to the question put. We are wasting public money and they are not even answering the questions properly. They are not answering (a), (b), (c) and (d) ... (*Interruptions*) ... The bureaucrats cannot take us for a ride ... (*Interruptions*) ...

The Minister is Smt. Krishna Sahi. He does not look like Mrs. Sahi ! ... (*Interruptions*) ...

THE DEPUTY CHAIRMAN : She is not well. That is why he is answering.

SHRI KAMAL MORARKA : All right. He must come prepared. Madam, you see the question and answer. If any Member from the Treasury Benches says that this answer is all right, I will sit down. Any Member. Come on. This is not a question of Government and Opposition. If this kind of replies are going to come and Members are going to accept, I don't think we should have the Question Hour.

SHRIMATI RENUKA CHOWDHURY: It has been reduced to a face, at least in this answer. (*Interruptions*)

THE DEPUTY CHAIRMAN : I have called the Member.

SHRI KAMAL MORARKA : Madam, just bear with me for one minute. The first question is whether the Government is considering delicencing of industries with large export potential and (b) whether the Government is also considering to decontrol sugar, beer, etc. The answer is industrial licencing is presently required for 16 industries only; further delicencing of industries is a continuing exercise. Madam, delicencing can never be a continuing exercise. Either the Government delicences or they don't You say, either the matter is under considtration or you say, no. How can you say that it is a continuing exercise ? It is not a reply to the question. (*Interruptions*)

SHRI R. K. DHAWAN : It has to be a continuing exercise to consider ... (*Interruptions*)

THE DEPUTY CHAIRMAN : Mr. Siviji, put your question.

SHRI RAJNI RANJAN SAHU : Madam, we should have a class where you can train the Ministers to reply.

THE DEPUTY CHAIRMAN : I am now allowing. This is not the way. (*Interruptions*) I am sorry, I am not allowing. I have identified Mr. Sivaji. (*Interruptions*)

मंत्री जी, जवाब को देखा कीजिए कि उस से मैच खाता है कि नहीं ...(**व्यवधान**)

Is it in relation to other question or just it is not? I can understand. You are doing somebody else's job. It is not your Ministry. You are doing it for Krishnaji who is not well. But in future, just look at it because it does not look very nice. Okay, now ... (*Interruptions*)

SHRI MENTAY PADMANABHAM: Why don't you postpone the Questions?

THE DEPUTY CHAIRMAN : I am not postponing anything.

SHRI MENTAY PADAMNABHAM : We will take it up at a later date.

It is a very important question.

THE DEPUTY CHAIRMAN: Let him ask. Don't disturb the Member.

श्री एच० हनुमंतप्पा : मैडम, आपके रिमार्क्स के बाद सवाल पूछने की जरूरत नहीं है ... (**व्यवधान**)

THE DEPUTY CHAIRMAN: Mr. Sivaji, if you don't want to ask, I will go to ...

DR. YELAMANCHILI SIVAJI: Madam, in spite of repeated assertions from the Government regarding liberalisation and delicencing, liberalisation is yet to percolate to the lower level, to the agriculture sector. About 92 applications are pending

from Andhra Pradesh for letters of intent for the installation of sugar factories. They are pending for the last three years and no action has been taken to clear them. The second aspect is regarding milk and dairy products. Dairy industry is delicenced but, at the same time, the Industry Ministry came out with another proposal of milk and milk products order where the licencing procedure is adopted by the back-door. And other industries like cigarettes, etc. which are under the agro sector are yet to be delicenced. What is the view of the Government in extending the liberalisation and delicencing policy to the agro products and agriculture sector ?

SHRI M. ARUNACHALAM : Madam, as far as Andhra Pradesh is concerned, we have 97 applications from sugar industry. The matter is still with the Food Ministry. As soon as it comes back to the Industrial Development Ministry, we will look into it.

DR. YELMANCHILI SIVAJI : They are pending for the last three years.

THE DEPUTY CHAIRMAN : Please. Let him finish.

SHRI M. ARUNACHALAM : That is what I am saying. It is still in the process in the Food Ministry. It has not come to the Industrial Development Department. As soon as it comes back to us, we will look into it.

THE DEPUTY CHAIRMAN : Question No. 207.

THE DEPUTY CHAIRMAN : Question No. 208.

Losses to National Airports Authority

*208. SHRI S. S. AHLUWALIA : Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) whether it is a fact that the National Airports Authority (NAA) is consistently incurring losses since its creation;

(b) if so, what are the details thereof;

(c) whether it is also a fact that the losses are mainly due to financial mismanagement in the Authority;

(d) if so, what are the details thereof; and

(e) what remedial action Government propose to take to make the Authority economically viable in the near future?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD) : (a) to (c) A statement is laid on the Table of the Sabha.

Statement

(a) and (b) No, Sir. Profit/Loss of National Airports Authoritiy (NAA) since its inception are as under :—

Year	Profit/Loss (+) (—) (Rs. in crores)
1986-87	(—) 13.86
1987-88	(—) 16.51
1988-89	(—) 16.13
1989-90	(—) 2.96
1990-91	(—) 23.19
1991-92	(+) 17.72 (Provisional)
1992-93	(+) 11.76 (Provisional)

(c) No, Sir.

(d) Does not arise.

(e) Measures are being evolved to raise revenue and reduce expenditure by rationalising operation of airports and allied services which are non-viable.

श्री एस० एस० अहलुवालिया : महोदया, मंत्री जी ने अपने जवाब में राष्ट्रीय विमान पत्तन का लाभ-हानि का ब्यौरा दिया है ...

एक माननीय सदस्य : यह पत्तन क्या है ?

श्री एस० एस० अहलुवालिया : राष्ट्रीय विमान पत्तन, इसका मतलब है नेशनल एयरपोर्ट अथारिटी । जरा हिन्दी सीखिए । ...(**व्यवधान**)

THE CHAIRMAN : Please put your question, Mr. Ahluwalia,

*207 [*The Questioner (Shri Suresh Pachouri) was absent. For answer vide col .... infra.*]